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NSC FOR DENNIS WILDER DEPT FOR EAP/CM

E.O. 12958: DECL: 05/30/2032

TAGS: PGOV PHUM PINR PREL SOCI CH HK MC

SUBJECT: HONG KONG DEMOCRATIC PARTY INVESTIGATES PRC

INFILTRATORS

REF: HONG KONG 458

Classified By: Acting E/P Chief Jeff Zaiser. Reasons: 1.4(b,d).

11. (S) Summary: Democratic Party (DP) legislator James To (strictly protect), who is chair of the Hong Kong Legislative Council (Legco) Security Panel, warned us in early February 2007 that infiltrators from Beijing had successfully penetrated the DP and put it in a "dangerous position" (ref). At that time, To said the DP had identified several infiltrators from Beijing who had "challenged the stability of the party." In early May, the Falun Gong newspaper "Epoch reported that a DP "special panel" had conducted an eight-month investigation to assess the infiltration allegations and provide recommendations to strengthen the party's defenses against political sappers. The special panel's key findings, based largely on oral interviews and analysis of emails submitted by DP members, included: a) Chinese personnel had provided or attempted to provide many DP members with benefits; b) Chinese personnel had extensive contacts with DP members and tried to influence them, buy their loyalty, guide their speeches, plot their behaviors, intervene with the party's operations, affect party unity, and weaken the party's capabilities; c) DP members had deliberately tried to "plant votes"; d) members who had close contacts with Chinese personnel had formed a faction within the party to spread false information, foment discord, and generally create internal discord to undermine the party's credibility and image; e) some staff personnel failed to report their close contacts with Chinese personnel, got involved in "planting votes" and factional activities, and spread false information and messages. To date, the contents of the report have not been made public. End Summary. (Note: Paragraph 2 below includes excerpts from the first 28 pages of Chinese-language text in the report. The entire report, once translated, will be posted in Chinese and English languages for broader USG consumption. End note.)

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12. (S) The DP special panel, including Cheung Yin Tung (convener), Chan Ka Wai, Martin Lee, Szeto Wah, and Tsui Hon Kwong, expressed broad concern that DP staff personnel had become the targets of infiltration. Their proposals were based on five primary concerns that resulted from the investigation, which follow below. (Note: Excerpts from the report, as translated from Chinese to English, are provided in lightly edited form. In the same report, the term "Chinese personnel" was defined to include: (1) state leaders and personnel who have close contacts with the mainland government; (2) official organizations such as Xinhua News Agency, Office of the Central Liaison Department, the Office of Hong Kong and Macao Affairs, the United Front

Department, the National Security Department, the Public Security Department, and provincial governments; (3) academic organizations, including university institutes and institutes of all descriptions; and (4) business organizations, including those operated with Chinese funds. End note.)

- a) The special panel learned from talks with DP members that Chinese personnel had provided or attempted to provide many Democratic Party members with benefits. Because the special panel did not have investigative authority, it could only entertain information voluntarily provided by participating members. The party was concerned that Chinese personnel also would attempt to provide benefits to other members, that some members already had accepted their benefits, or that some members had been bribed by Chinese personnel and infiltrated the party.
- b) The special panel learned from talking to members that large numbers of so-called middlemen, communicators and information collectors of China have had constant contacts with lawmakers of the party, Central Committee Standing Committee members, party members and the party's staff workers, but that some of these people had not reported their contacts according to the party's report system. Then, when the special panel requested the personnel concerned to provide information, they would either conceal the information or provide false information. Meanwhile, quite a number of Chinese personnel had often advised the members with whom they had contacts not to report these contacts to the party. The panel was concerned whether, if party members had regular and extended contacts with Chinese personnel, or had accepted their benefits and had hidden the contacts from the party, the DP would know and whether the party's system had loopholes that Chinese personnel could exploit in order

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to gradually influence party members' minds, buy their loyalty, tell them what to say and plot their actions, thereby intervening the party's operations, affecting the party's unity, dividing the party and weakening the party's capabilities.

- c) The panel learned that some members, with the deliberate attempt to plant votes, had recommended a large number of people to become new members. The panel expressed concern that such members, instead of paying attention to whether the applicants were people who identified with the party's beliefs or whether they would take part in the activities of the party and only pay attention to increasing the number of new members so that they can play "human-head politics" during the party congress and party elections. The panel noted concerns over the party's current "liberal" membership system and its "loopholes," including opportunities for members to be bribed, infiltrated into and divided. The report also expressed concern that "the scheme plotted for quite sometime" could change the DP's support for democracy and other objectives prescribed in its charter, thereby changing the party's stand, political platform and basic nature.
- d) The special panel held that "a healthy phenomenon" had resulted from the different views within the party, through exchanges and debates, that lead to competition and "rotation of leading hierarchies." However, the panel learned that certain members who had close contacts with Chinese personnel had formed factions within the party and then, through disseminating misinformation and through provocations, including divisive activities, instigations and abusing authority, attacked members of other factions, causing internal dissensions, struggles and scandals, thereby undermining the party's credibility, tarnishing the image of the party, and exhausting the party's operational capability.
- e) The special panel learned from the information provided by members that some paid staff workers of the DP took an

"active part" in activities such as: having contacts with Chinese personnel, planting votes, and participating in factional activities. The panel noted its concern about those staff workers who are in control of the party's information, and even classified information, would become "objects susceptible to infiltration."

- 13. (S) Several events probably sparked, or exacerbated interest in, the DP's investigation. First, the DP historically, but especially following the historic July 1, 2003 pro-democracy rally, increasingly has grown concerned about mainland monitoring of its activities and membership. Also, since early 2006 there has been a widening rift between mainstream and reformist factions, intensifying internal struggles among party members. In May 2006, the so-called "Real Brother" incident, involving the discovery on the Internet of confidential email exchanges criticizing DP leaders, further fanned charges of infiltration and internal party struggles. In June 2006, the legal requirement under Hong Kong's Companies Ordinance for all political parties to publish their membership lists increased pressure on the DP. (Note: The DP registered as a company, similar to other major political parties in Hong Kong, when it was launched in 11994. End note.) As a result, a few dozen members resigned from the party, in part due to concerns that their safety or business on the mainland would be jeopardized. Finally, in July-August 2006 consideration and passage of new covert surveillance legislation further intensified concerns over communications security, including among political parties such as the DP and Civic Party.
- 14. (S) Comment: In his remarks to us in early February, James To claimed that "the U.S. Government needs to know what is happening to the Democratic Party, because it is the only one who can put a stop to infiltrations from the mainland." Through that statement and his subsequent provision of the DP's investigative report, To may have sought to influence rather than inform the USG; however, the level of detail included in the report, as well as potential repercusions arising from his rather transparent collusion with the USG --including an open email with the report attached -- seem to suggest that its contents and purpose are genuine. End comment. Sakaue